

CITY OF BOSTON AND COUNTY OF SUFFOLK

DEPARTMENTAL COMMUNICATION

June 20 19 77

	(NAME)	(RATING)	(DEPARTMENT-DIVISION)
TO	Chuck Atkins		
FROM	Thom Ennen & Harbor Group		

SUBJECT: Issue to be resolved -- Harbor **FILE REF. No.**

The following is a description of several issues which the Harbor Group has identified as needing resolution from the Policy Level.

Situation: Penn Central RR Yards

Forty eight acres of the 65 acre Penn Central yards in South Boston are currently being marketed for sale at \$6-\$7 per square foot.

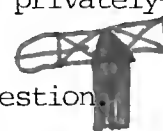
The US Post Office has signed a purchase option for 16 acres of this land which lies near the intersection of Summer and A Streets and intends to use this land for parking of employee and mail vehicles.

There is serious interest in a sizeable portion of the remaining land for a trade center development. Purchase commitment on this acreage awaits, at minimum, clarification of Northern Avenue relocation and Seaport Access Road plans.

Issue: At a cost of \$6-7 p.s.f. the only economically feasible development of this land is for commercial purposes. With vacancy rates in secondary and tertiary office space in the downtown area emerging as a concern consideration must be given to the impact of increasing commercial space directly adjacent to downtown with the probable net effect of increasing these vacancy rates. Further, commercial development job creation, while high per acre, is of an occupational distribution which favors the commuter labor force.

Option: City acquisition with a write down of the land cost combined with Industrial Revenue Bond provisions to support Industrial Park creation.

- Implications:**
1. Industrial Park development may make adjacent properties unattractive for mixed housing and commercial development funded privately-Athanas and Town and Cities
 2. Marketability of new industrial space is open to question



357-8220

Issue: Post Office acquisition of 16 acre parcel would have three negative impacts

- A. Further narrowing of City tax base
- B. Expansion of free parking which appears to be counter to City policy.
- C. Some plans for South Station describe a parking garage which assumes, at least in part, the Post Office employees as a market.

Option: Stop the Post Office

Issue City control of development of the entire 48 acre site appears to be critical.

Options: A. Ownership
B. Zoning
C. Building Permits

Situation: Massport - Containerport

MPA intends to pursue the development of a new containerport in South Boston. This facility would be good for Boston if;

- a) it is land efficient
- b) it is operationally efficient
- c) it is adequately capitalized
- d) it is competitive with other ports
- e) it minimizes negative environmental impacts on the South Boston area by efficient transportation access
- f) proper city revenue methods can be secured.

To accomplish these goals the City should

- a) opt for a land configuration that minimizes MPA holdings in South Boston and forces MPA to integrate Port operations with other activities in such a way as not to impede other development.
- b) force MPA to design and capitalize its operations in such a way to guarantee the Port is highly efficient (ex. computerized stacking reduces land necessary for port)
- c) involve MPA as a responsible and responsive organization in efforts to secure dramatic improvements in transportation access (both rail and road) into the South Boston Port area.
- d) balance the need for revenue with consideration for maintaining the containerport in a highly competitive profile vis a vis other ports on this coast

Issue: Containerport Land Configuration

MPA has identified the Army Base along with Commonwealth Flats as their eventual containerport location. MPA currently holds a long term lease for most of the Army Base. MPA indicates that this configuration would require use of a portion of the BMIP (see map).

MPA would consider a temporary (2-4 year) arrangement which would locate the container crane and preperation area on the BMIP Jetty.

- Implications:
1. BMIP access to Summer St. would be cut off under either configuration due to MPA stated need for exclusive right of way (possibly negotiable).
 2. Under either configuration intra BMIP transit would be impaired. However, the Jetty configuration would diagonally divide the BMIP while the Army Base configuration only blocks the Summer Street end of the park.
 3. The Army Base configuration will require relocation of the cars currently parked on the lower end of the Base. While the City should cooperate in this effort the temporary solution to this temporary problem should not result in more land takings by MPA or the Federal government.
 4. The containerport will dramatically increase truck traffic in South Boston. MPA should be involved in the solution to this problem to the point that it accepts responsibility for pressuring the State to move with us quickly to a resolution.
 5. MPA will resist a per ton surcharge on the basis that this revenue mechanism negatively affects their market profile. This revenue method begins, however, to approach proper cost/benefit rationales under the temporary Jetty configuration.
 6. MPA will resist major infrastructure and substructure investment in the Jetty while putting heavy wear on the weakening bulkhead, C. Street and other roads.

- Options:
1. Jetty or Army Base configuration
 2. City revenue may be dealt with on a parcel by parcel basis or from a perspective which overviews the airport, army base, fish pier, Moran, Hoosac, etc.
 3. Delay containerport development until transportation problems are resolved with concrete plans and timetables for Northern Avenue and Seaport Access Road.

Situation: Fish Pier

MPA has planned and proposed to EDA the rebuilding of the Fish Pier with cost figures ranging between 10 and 15 million dollars. This renovation has as its goal the retention of the approximately 75 fisherman and 1300 related fish processing jobs. It also prepares Boston to participate in whatever growth will occur in the fishing industry.

Issue: MPA needs our support in order to secure EDA funding. Should we give it?

- Implications:
1. MPA cannot renovate the fish pier with their bonding authority funds due to the requirement that the bonding investment must be amortized through revenue from the benefit parcel which would drive rents on the pier too high for tenants to pay.
 2. Fish Pier jobs are of an occupational distribution which matches the unemployed labor force in Boston.
 3. City support of MPA application for EDA funding can be viewed as a foregone opportunity for City investment of these same monies.

- Options:
1. Force MPA to increase match for EDA grant from 70/30 to 50/50.
 2. Force MPA to spread Fish Pier investment out over a longer period of time thereby reducing the immediate diversion of Federal dollars from City projects.
 3. Lever from MPA commitment for 50% or greater job capture rate for Boston residents during renovation Phase.
 4. Provide job training or job matching programs to increase the capture rate of permanent Fish Pier jobs by Boston residents.

C. Knowles

III. The 1977 Proposal

A. Summary

The intent of the 1977 Harbor proposal is to build on existing public and private commitments to waterfront development in order to reach the goals of increased employment opportunities and new tax generation.

The 1977 proposal aims to both expand the scope of current activity and shorten the lead time in achieving these goals, through a program focusing on the rapid delivery of new support services, new public infrastructure in development sites, and innovative technical and financial assistance mechanisms. The project will become the catalyst for \$_____ million in private investment and the creation of 14,000 new jobs.

The project is comprised of a list of new capital investments plus new ongoing programs that will in combination have a substantial impact on the City's economic base. In a city with an outstanding record for downtown office sector growth, this project represents a change of emphasis toward new growth in the industrial and service sectors.

The concern is with appropriate land use and economic development of the entire Boston waterfront. The central focus of this proposal, however, will be on those areas within the harbor where substantial planning is completed and the commitments are in place to generate real activity within the next three to five years.

The project will be directed at the industrial development of South Boston as a primary focus. The provision of the necessary public effort and investment to provide for the mutually supportive development of industrial land, (particularly the Boston Marine Industrial Park), the Fish pier and fish processing, and the new Mass Port container facility will require substantial City, State, and Federal commitments. The proximity of these three major activities and their coordinated development will enhance the viability of each component. A healthy fishing industry

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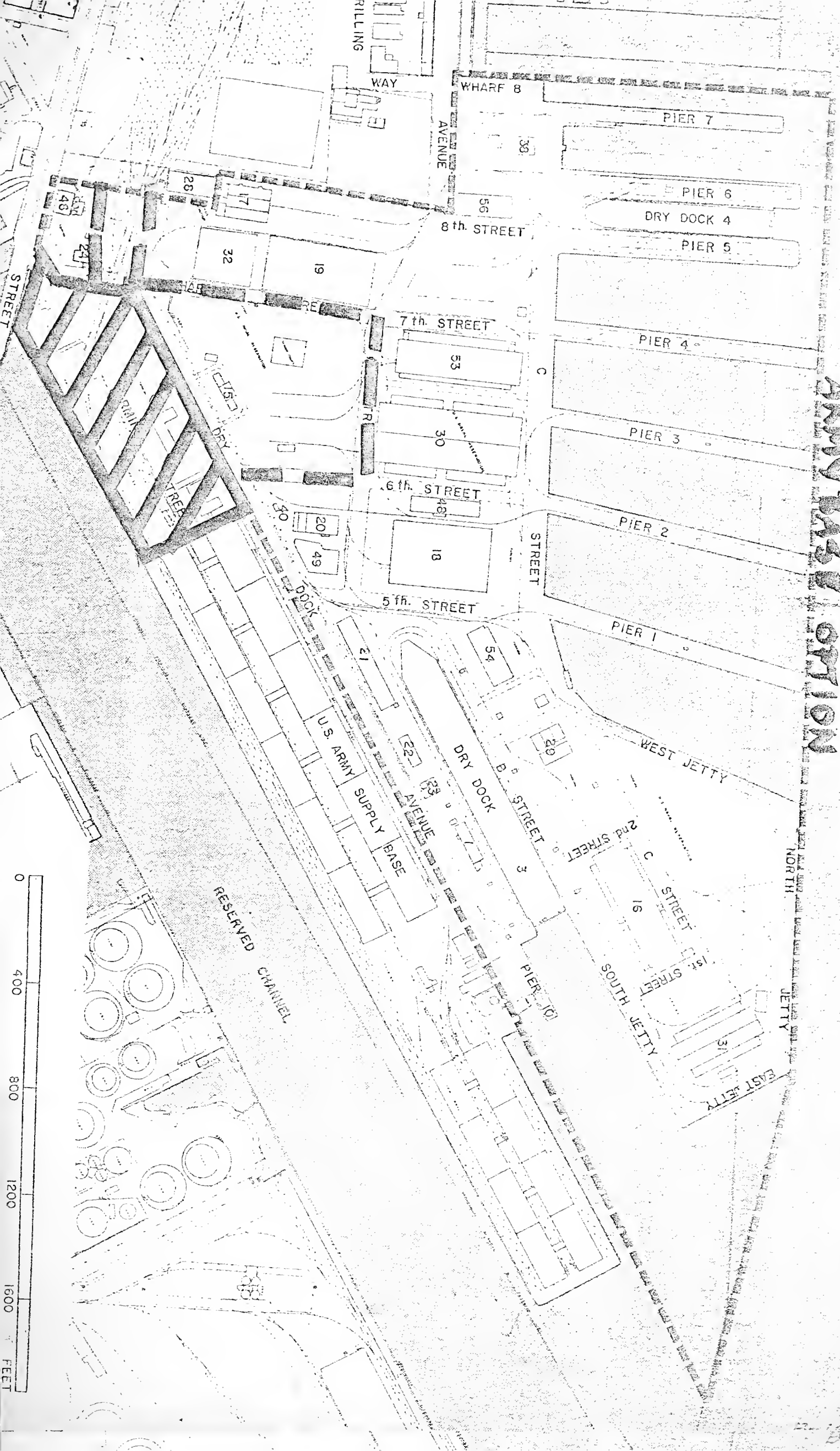
will simultaneously generate demand for ship building and overhauling at the BMIP and demand for refrigerated container movement at the new Mass Port facility. Industrial goods production at BMIP and elsewhere in industrial South Boston will benefit from transportation advantages of the container port. The port will in turn generate demand for BMIP's ship repair facilities. Coordinated management of industrial and related port development could generate 6500 new jobs in the next decade.

A second area of emphasis for the harbor proposal is in the stimulation of commercial, tourism, housing development in the Charlestown Navy Yard and the Fort Point Channel area. The second phase public investment in infrastructure within the shipyard will expedite a major development for the City. Transportation and sewer work at the Fort Point Channel will stimulate additional private development in housing, hotel and commercial activity. The creation of 3000 units of market housing will reinforce the trend of middle income suburban return to the City and a new tax source. Commercial/tourism development will build on one of the City's strengths, on expanding service sector, and generate an additional _____ new jobs.

The following sections identify the critical components of the Harbor development program. The project will involve between \$ _____ and \$ _____ in public funds over three years. The program outlines the major investments necessary to opening all of northern South Boston to development and identifies private commitments that will result from those investments. The capital investment program for the BMIP involves the largest portion of total project funds including sea wall and jetty repair, roads and utilities and building repair. The rehabilitation of the public fish pier is a second major funding need. The investment of \$3.8 million in street improvements, land assembly and building demolition are the key elements necessary to the Charlestown project.

Equally important to these public works type efforts, is the need for investment in new program activities. Job training programs and special recruitment efforts including a major industrial training center at BMIP are critical to insuring that Boston workers, particularly the unemployed and under employed have access to new jobs created as a result of this program. Financial assistance to fisherman and small manufacturers through loans and loan guarantees will be critical to aiding undercapitalized firms. Finally, land use monitoring and planning and marketing are important program components necessary to the successful redevelopment of Boston Harbor.

ARMY BASE OPTION



JETTY OPTION

